

## SGX-ST ANNOUNCEMENT

For immediate release

### THE PROPOSED ACQUISITION OF INTERESTS IN 12 PROPERTIES IN GERMANY AND AUSTRALIA

*Unless otherwise stated, the S\$ equivalent of the A\$ figures and € figures in this Announcement have been arrived at based on assumed exchange rates of €1 : A\$1.6211, A\$1 : S\$0.9500 and €1 : S\$1.5400, respectively.*

#### 1. Introduction

Frasers Logistics & Industrial Asset Management Pte. Ltd., as manager of Frasers Logistics & Industrial Trust (“**FLT**”) (the “**Manager**”), is pleased to announce that Perpetual (Asia) Limited, as trustee of FLT (the “**Trustee**”), has, through FLT Europe B.V. (“**FLT Europe**”), entered into a conditional share purchase agreement dated 2 July 2019 (the “**Share Purchase Agreement**”) with Frasers Property Investments (Europe) B.V. (“**FPIE**”), FPE Investments RE11 B.V. (“**FPE11**”) and FPE Investments RE12 B.V. (“**FPE12**”) (collectively, the “**German Vendors**”) to acquire the equity interests in 10 property holding companies<sup>1</sup> (each a “**Property Company**”, and collectively, the “**Property Companies**”) which hold interests in nine freehold logistics properties located in Germany (the “**New German Properties**”, and the acquisition of the equity interests in the Property Companies, the “**German Properties Acquisition**”).

The Trustee has also, through the Sub-Trust Trustees<sup>2</sup> acting as trustees respectively of sub-trusts wholly-owned by FLT, entered into three asset sale and purchase agreements dated 2 July 2019 (collectively, the “**Asset Sale and Purchase Agreements**”) to acquire three freehold logistics properties located in Australia (the “**New Australian Properties**”, and together with the New German Properties, the “**New Properties**”) from Australand C&I Land Holdings Pty Ltd (“**Australand C&I Trustee**”) as trustee of the Australand C&I Land Holdings (Eastern Creek Stage 4 No. 1) Trust, Australand Property Holdings Pty Limited (“**Australand Property**”) as trustee of FPT (Keysborough No. 6) Trust and Australand C&I Land Holdings Pty Ltd (“**Australand C&I**”) (collectively, the “**Australian Vendors**”, and together with the German Vendors, the “**Vendors**”) (the “**Australian Properties Acquisition**”, and together with the German Properties Acquisition, the “**Proposed Acquisition**”).

#### 2. The Proposed Acquisition of the New Properties

##### 2.1 Details on the New Properties

With a total gross lettable area (“**GLA**”) of approximately 297,000 square metres (“**sq m**”), the New Properties are freehold and strategically located within the major logistics clusters of

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1 One of the Property Companies, BV Maschinen GmbH, is a holding company which holds the fixtures of two of the New German Properties.

2 The “**Sub-Trust Trustees**” refer to FLT Queensland No. 3 Pty Limited (“**FLT Queensland No. 3**”) as trustee of Wayne Goss Drive Trust B, FLT Queensland No. 4 Pty Limited (“**FLT Queensland No. 4**”) as trustee of Hanson Place Trust A and FLT Landowner Pty Limited (“**FLT Landowner**”) as trustee of Hudson Court Trust B.

Germany as well as in prime sub-markets of the eastern sea board of Australia. The New Properties have 100%<sup>3</sup> occupancy with a long WALE<sup>4</sup> of 8.6 years. Further details of the New Properties are set out in an appendix to this Announcement (the “**Appendix**”).

## 2.2 Valuation and Purchase Consideration

The Trustee has commissioned an independent valuer, Colliers International Valuation UK LLP (“**Colliers UK**”), and the Manager has commissioned an independent valuer, CBRE Limited (“**CBRE**”), to respectively value the New German Properties. The Trustee has commissioned an independent valuer, CIVAS (VIC) Pty Ltd (“**Colliers AU**”), and the Manager has commissioned an independent valuer, Urbis Valuations Pty Ltd (“**Urbis**”), to respectively value the New Australian Properties. Urbis, collectively with Colliers AU, Colliers UK and CBRE are referred to herein as the “**Independent Valuers**”.

The agreed property purchase price<sup>5</sup> for the New Properties is approximately A\$644.7 million (approximately S\$612.5 million) (the “**Property Purchase Price**”) being the aggregate of:

- (i) for the New German Properties, approximately €320.3 million (approximately A\$519.2 million and approximately S\$493.3 million); and
- (ii) for the New Australian Properties, approximately A\$125.5 million (approximately S\$119.2 million).

The purchase consideration payable under the Share Purchase Agreement (the “**Share Purchase Consideration**”) of approximately €235.4 million (approximately A\$381.7 million and approximately S\$362.6 million) is based on:

- (i) the Property Purchase Price of approximately €320.3 million for the New German Properties which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations described herein and the effective interests in the Property Companies that FLT will be acquiring, as adjusted for the estimated aggregate net assets and liabilities of the Property Companies (including their existing debt facilities to be assumed by FLT amounting to approximately €73.7 million<sup>6</sup> (approximately A\$119.5 million and approximately S\$113.5 million) (subject to further post-completion adjustments based on the actual aggregate net assets and liabilities of the Property Companies at completion of the German Properties Acquisition); and
- (ii) the amount of inter-company loans owing by the Property Companies to the German Vendors as at completion of the German Properties Acquisition to be assigned to FLT Europe.

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3 Includes the effects of the arrangement under the Rental Support Deed (as defined herein) (as set out in paragraph 2.7 of this Announcement). Excluding the Rental Support Deed, the New Properties will have an overall occupancy rate of 93.7%.

4 “**WALE**” refers to the weighted average lease expiry as at 31 March 2019 based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of March 2019, and taking into account the arrangement under the Rental Support Deed.

5 Based on a 100% effective interest.

6 The Hermes Augsburg Facility, the EDEKA Facility, the Kentner Facility, the Amor & Mühle Facility and the Keramag & VCK Facility (each as defined herein) have existing debt.

The assets sale and purchase consideration payable under the Asset Sale and Purchase Agreements (the “**Asset Purchase Consideration**”) of approximately A\$125.5 million is based on the Property Purchase Price for the New Australian Properties.

The aggregate of the Share Purchase Consideration and the Asset Purchase Consideration (collectively, the “**Purchase Consideration**”) is approximately A\$507.2 million (approximately S\$481.8 million).

The appraised value for the New Properties (the “**New Properties Appraised Value**”), being the aggregate of the higher of the two independent valuations of each New Property conducted by the Independent Valuers as at 15 June 2019, is approximately A\$651.4 million (approximately S\$618.8 million).<sup>7</sup> The Property Purchase Price represents a discount of approximately 1.0% to the New Properties Appraised Value.

(See the Appendix for further details regarding the valuations of the New Properties.)

### **2.3 Certain Terms and Conditions of the Share Purchase Agreement**

The principal terms of the Share Purchase Agreement dated 2 July 2019 include, among others, that the completion of the German Properties Acquisition be subject to the satisfaction of certain conditions precedent, which include (a) the Manager obtaining the approval of the unitholders of FLT (“**Unitholders**”) at the extraordinary general meeting of the Unitholders (“**EGM**”), (b) the Manager procuring financing for the German Properties Acquisition and (c) the transfer of fixtures in BV Maschinen GmbH which are not in relation to the Amor & Mühle Facility and the Keramag & VCK Facility.

Please refer to the circular to Unitholders (the “**Circular**”) which the Manager will issue in due course for further details on the Share Purchase Agreement.

### **2.4 Indemnity in relation to Taxation**

FLT Europe will also enter into a deed of indemnity (the “**Deed of Indemnity**”) with FPIE pursuant to which FPIE will, or will procure the relevant German Vendor to, among others, indemnify FLT Europe (on behalf of FLT) or the Property Companies (at FLT Europe’s election) against certain claims for taxation.

Please refer to the Circular for further details on the Deed of Indemnity.

### **2.5 Certain Terms and Conditions of the Asset Sale and Purchase Agreements**

The common principal terms of the Asset Sale and Purchase Agreements include, among others, that the completion of the Australian Properties Acquisition be subject to the satisfaction of the following conditions precedent, which include (a) the Manager obtaining the approval of the Unitholders at the EGM; and (b) the Manager procuring financing for the Australian Properties Acquisition.

Please refer to the Circular for further details on the Asset Sale and Purchase Agreements.

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<sup>7</sup> The New Properties Appraised Value takes into account the effects of the Incentive Reimbursement Deeds (as defined herein) and Rental Support Deed.

## 2.6 Incentive Reimbursement Deeds

In connection with the Proposed Acquisition, FLT (through FLT Europe), FLT Queensland No. 3 and FLT Landowner will enter into the incentive reimbursement deed in respect of the Amor & Mühle Facility and the Bosch Facility (as defined herein), the incentive reimbursement deed in respect of the Kentner Facility, the incentive reimbursement deed in respect of the Avery Dennison & GM Kane and Sons Facility (as defined herein) and the incentive reimbursement deed in respect of the Dana & Pinnacle & Licensing Facility (as defined herein) (collectively, the “**Incentive Reimbursement Deeds**”) under which the respective Vendor will be reimbursing FLT Europe or the relevant Property Company as FLT Europe may elect, and the relevant Sub-Trust Trustee for incentives (for example, rent abatement) which the Vendor or, as the case may be, relevant Property Company has made available or agreed to grant to the respective tenants of the Amor & Mühle Facility, the Bosch Facility, the Kentner Facility, the Avery Dennison & GM Kane and Sons Facility and the Dana & Pinnacle & Licensing Facility as part of the relevant Vendor's or, as the case may be, Property Company's costs and obligations.

Please refer to the Circular for further details on the Incentive Reimbursement Deeds.

## 2.7 Rental Support Deed

In connection with the Australian Properties Acquisition, FLT had, through FLT Queensland No. 4, as trustee of Hanson Place Trust A, entered into the rental support deed dated 2 July 2019 (the “**Rental Support Deed**”) in respect of the Vacant Unit<sup>8</sup> of the FDM Facility (as defined herein) with Frasers Property AHL Limited (“**FPAHL**”), pursuant to which FPAHL has agreed to provide rental support.

Under the Rental Support Deed, FPAHL will pay FLT Queensland No. 4 the Guaranteed Amount<sup>9</sup> for a period of five years or until the Vacant Unit of the FDM Facility is leased, whichever is earlier. The Rental Support Deed is also subject to a capitalised payment which may result in adjustments to the total amount paid in respect of the FDM Facility based on the actual lease agreement entered into for the Vacant Unit of the FDM Facility.

Please refer to the Circular for further details on the Rental Support Deed.

## 2.8 Estimated Total Transaction Cost

The estimated total cost of the Proposed Acquisition (the “**Total Transaction Cost**”) is approximately A\$530.4 million (approximately S\$503.9 million), comprising:

- (i) the Purchase Consideration of A\$507.2 million, comprising the Share Purchase Consideration of €235.4 million and the Asset Purchase Consideration of A\$125.5 million;
- (ii) the acquisition fee payable to the Manager for the Proposed Acquisition pursuant to

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8 The FDM Facility consists of two leaseable units, one of which is currently leased to FDM Warehousing Pty Ltd and the other unit is currently vacant (the “**Vacant Unit**”).

9 “**Guaranteed Amount**” means an amount equivalent to a net rent of A\$120 per m<sup>2</sup> of lettable area per annum for the Vacant Unit of the FDM Facility (increased annually by 3.0%) for a period of five years or until the Vacant Unit of the FDM Facility is leased, whichever is earlier.

the trust deed dated 30 November 2015 (as amended and supplemented) constituting FLT (the “**Trust Deed**”), which amounts to approximately A\$3.1 million (approximately S\$2.9 million) (the “**Acquisition Fee**”)<sup>10</sup>; and

- (iii) the estimated professional and other fees and expenses<sup>11</sup> incurred or to be incurred by FLT in connection with the Proposed Acquisition of approximately A\$20.1 million (approximately S\$19.2 million).

## **2.9 Payment of Acquisition Fee in Units**

As the Proposed Acquisition will constitute an “interested party transaction” under Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**MAS**” and Appendix 6, the “**Property Funds Appendix**”), the Acquisition Fee<sup>12</sup> payable to the Manager in respect of the Proposed Acquisition will be in the form of Units (the “**Acquisition Fee Units**”), which shall not be sold within one year from the date of issuance.

## **3. Proposed Method of Financing the Proposed Acquisition and Financial Effects**

The Manager intends to finance the Total Transaction Cost from a combination of equity and debt financing, with the final debt/equity proportions to be decided at a later stage by the Manager.

## **4. Rationale for and Key Benefits of the Proposed Acquisition**

The Manager believes that the Proposed Acquisition will bring the following key benefits to Unitholders:

### **4.1 Deepens Presence in Attractive Logistics Markets of Germany and Australia**

- Resilient economic fundamentals in Germany and Australia underpinned by positive drivers in the key markets
- Timely expansion supported by favourable low interest rate and yield spread tailwinds
- The German economy remains resilient with foreign trade, industrial production and the labour market showing continued growth
- Demand for German logistics space remains strong underpinned by Germany’s status as the largest logistics market in Europe

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10 The Acquisition Fee in respect of each of the New Properties is 0.5% of the Property Purchase Price of the New Properties (in proportion to the effective interest which FLT will hold in each of the New Property), and will only be paid on completion of the acquisition of the New Properties.

11 Inclusive of approximately A\$7.3 million (approximately S\$6.9 million) of stamp duty arising from the Australian Properties Acquisition.

12 Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units issued to finance or part finance the Proposed Acquisition in respect of which the Acquisition Fee is payable.

- Australia's logistics market is driven by solid fundamentals and remains one of the most sought-after sectors by both domestic and global players

#### **4.2 Prime, Modern and High-Quality Portfolio**

- Predominantly located in the major logistics clusters in Germany
- Strategically located in prime sub-markets of the eastern sea board of Australia
- Prime and modern logistics facilities with high specifications
- More quality tenants in diversified industries

#### **4.3 Strengthens the FLT Portfolio**

- Enhanced investments through diversification in attractive German and Australian markets
- Increased proportion of freehold assets in the enlarged portfolio comprising the existing portfolio and the New Properties (the "**Enlarged Portfolio**")
- Reduced concentration risk in the top 10 tenants
- Improved portfolio WALE

#### **4.4 DPU Accretion and consistent with the Manager's Investment Strategy**

- DPU accretion
- Proposed Acquisition is in line with FLT's key objectives

#### **4.5 Consistent Track Record in Leveraging Sponsor's Platform to Enhance Portfolio Value**

Please refer to the Circular for further details on the rationale for and key benefits of the Proposed Acquisition.

### **5. Certain Financial Information Relating to the Proposed Acquisition**

#### **5.1 Pro Forma Financial Effects of the Proposed Acquisition based on the FLT Unaudited Financial Statements**

The pro forma financial effects of the Proposed Acquisition for the period from 1 October 2018 to 31 March 2019 ("**1H FY2019**") on the DPU and NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on:

- (a) the FLT Unaudited Financial Statements for 1H FY2019 ("**1H FY2019 Unaudited Financial Statements**") which was announced on 26 April 2019;
- (b) the management accounts for the New Properties for 1H FY2019 (save for the properties which were acquired on 1 November 2018, and not including the Amor & Mühle AEI (as defined herein));
- (c) the management accounts for the B+S GmbH Logistik Facility (as defined herein) and the EDEKA Facility which were acquired on 1 November 2018 was extrapolated to 182 days;

- (d) the estimated Net Property Income<sup>13</sup> for the Amor & Mühle AEI which commenced on 1 April 2019 was extrapolated to 182 days based on the pre-committed lease amount;
- (e) the estimated Net Property Income for the tenant, GM Kane and Sons Pty Ltd of the Avery Dennison & GM Kane and Sons Facility, whose lease commenced on 1 December 2018, was extrapolated to 182 days;
- (f) the estimated Net Property Income for the tenant, FDM Warehousing Pty Ltd of the FDM Facility, whose lease commenced on 2 March 2019, was extrapolated to 182 days;
- (g) the estimated Net Property Income pursuant to the Rental Support Deed, assuming a 5-year lease at a net rent of A\$120 per m<sup>2</sup> of lettable area per annum was in place since 1 October 2018;
- (h) the FY2019 Divestments<sup>14</sup> had occurred on 1 October 2018 and the net divestment proceeds were used for the repayment of bank borrowings;
- (i) the translation of € to A\$, A\$ to S\$ and € to S\$ at the exchange rates prevailing in the preparation of the 1H FY2019 Unaudited Financial Statements; and

taking into account the Total Transaction Cost, and incorporating certain assumptions including (but not limited to) the following:

- (i) approximately 223.0 million new Units are issued under the equity fund raising;
- (ii) Acquisition Fee of approximately A\$3.1 million is paid in Units to the Manager in respect of the Proposed Acquisition;
- (iii) the balance of the Total Transaction Cost is financed by borrowings; and
- (iv) the Total Transaction Cost is translated at an exchange rate of €1 : A\$1.6211.

For the avoidance of doubt, financial information obtained from the management accounts, estimated financial results and estimated annual net income in respect of the New Properties have taken into account the effective interests which FLT will be acquiring in the New Properties.

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13 “**Net Property Income**” means Gross Rental Income less property operating expenses.

14 “**FY2019 Divestments**” means the divestment of 63-79 South Park Drive, Dandenong South, Victoria, Australia, the divestment of 610 Heatherton Road, Clayton South, Victoria, Australia and the divestment of 50% interest in 99 Sandstone Place, Parkinson, Queensland, Australia.

### 5.1.1 Pro Forma DPU

The pro forma financial effects of the Proposed Acquisition on the DPU for 1H FY2019, are strictly for illustration purposes only, as if (a) FLT had purchased the New Properties and the Proposed Acquisition had completed on 1 October 2018, and (b) all the New Properties are or are assumed to be generating Net Property Income for the full period of 1H FY2019, based on the assumptions set out in paragraph 5.1 above, are as follows:

#### FOR ILLUSTRATION PURPOSES ONLY

	Pro Forma Effects of the Proposed Acquisition for 1H FY2019		
	1H FY2019 Unaudited Financial Statements	Immediately after completion of the FY2019 Divestments	Immediately after completion of the FY2019 Divestments and after the Proposed Acquisition <sup>(1)</sup>
<b>Net Property Income (A\$ m)</b>	99.2	92.8	109.1 <sup>(2)</sup>
<b>Distributable Income (A\$ m)</b>	73.6	70.6	82.8 <sup>(3)</sup>
<b>No. of Units ('000)</b>	2,027,019 <sup>(4)</sup>	2,027,019	2,253,765 <sup>(5)</sup>
<b>DPU (Australian cents)</b>	3.63	3.49 <sup>(6)</sup>	3.68 <sup>(7)</sup>
<b>DPU (Singapore cents)</b>	3.54	3.40 <sup>(6)</sup>	3.58 <sup>(7)</sup>

**Notes:**

- (1) Taking into account the equity fund raising and the balance of the Total Transaction Cost being financed with borrowings.
- (2) Adjusted for the property management fees payable for the New German Properties (assumed at 2.0% of the contracted rental income).
- (3) Taking into account the Manager's management fees and related tax effects.
- (4) Number of issued and issuable Units entitled to distribution as at 31 March 2019 as stated in the 1H FY2019 Unaudited Financial Statements.
- (5) Based on the issued and issuable Units as at 31 March 2019 in note (4) above and including (a) new Units issued under the equity fund raising, (b) new Units issuable as payment of the Manager's base management fees and Acquisition Fee for the Proposed Acquisition.
- (6) Before taking into consideration the estimated capital gains tax on the FY2019 Divestments. Taking into consideration the estimated capital gains tax on the FY2019 Divestments of A\$4.2 million, DPU would be 3.28 Australian cents (3.19 Singapore cents).
- (7) Before taking into consideration the estimated capital gains tax on the FY2019 Divestments. Taking into consideration the estimated capital gains tax on the FY2019 Divestments of A\$4.2 million, DPU would be 3.47 Australian cents (3.37 Singapore cents).



### 5.1.2 Pro Forma NAV

The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 31 March 2019, as if the Proposed Acquisition had been completed on 31 March 2019, are as follows:

	Pro Forma Effects of the Proposed Acquisition as at 31 March 2019		
	1H FY2019 Unaudited Financial Statements	Immediately after completion of the FY2019 Divestments	Immediately after completion of the FY2019 Divestments and after the Proposed Acquisition <sup>(1)</sup>
<b>NAV (A\$ m)</b>	1,934.9	1,954.3	2,216.5 <sup>(2)</sup>
<b>No. of Units ('000)</b>	2,029,886 <sup>(3)</sup>	2,029,886	2,255,480 <sup>(4)</sup>
<b>NAV per Unit (A\$)</b>	0.95	0.96	0.98
<b>NAV per Unit (S\$)</b>	0.91	0.92	0.94

**Notes:**

- (1) Taking into account the equity fund raising, the Acquisition Fee being paid in Units to the Manager and the balance of the Total Transaction Cost being financed with borrowings.
- (2) Based on an exchange rate of €1 : A\$1.6211.
- (3) Number of Units issued and issuable as at 31 March 2019 as stated in the 1H FY2019 Unaudited Financial Statements.
- (4) Based on the issued and issuable Units as at 31 March 2019 in note (3) above and including (a) new Units issued under the equity fund raising, and (b) new Units issuable as payment of Acquisition Fee for the Proposed Acquisition.

### 5.1.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FLT as at 31 March 2019, as if FLT had completed the Proposed Acquisition on 31 March 2019.

	Pro Forma Effects of the Proposed Acquisition as at 31 March 2019		
	1H FY2019 Unaudited Financial Statements	Immediately after completion of the FY2019 Divestments	Immediately after completion of the FY2019 Divestments and after the Proposed Acquisition <sup>(1)</sup>
<b>Total assets (A\$ m)</b>	3,131.0	2,993.6	3,673.3
<b>Total debt (A\$ m)</b>	1,097.5	940.5	1,324.3
<b>Total Unitholders' funds (excluding non-controlling interests) (A\$ m)</b>	1,934.9	1,954.3	2,216.5
<b>Total capitalisation (A\$ m)</b>	3,032.4	2,894.8	3,540.8
<b>Gearing ratio<sup>(2)</sup> (%)</b>	35.1	31.4	36.1

**Notes:**

- (1) Taking into account the equity fund raising, the Acquisition Fee being paid in Units to the Manager and the balance of the Total Transaction Cost being financed with borrowings.
- (2) Calculated based on total debt divided by total assets.

## 5.2 Pro Forma Financial Effects of the Proposed Acquisition based on the FLT Audited Financial Statements

The pro forma financial effects of the Proposed Acquisition for the financial year ended 30 September 2018 on the DPU and NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on:

- (a) the FLT Audited Financial Statements (“**FY2018 Audited Financial Statements**”);
- (b) the management accounts for the Hermes Berlin Facility (as defined herein), which was acquired on 1 March 2018, for a period of 214 days;
- (c) the management accounts for the Hermes Augsburg Facility (as defined herein), which was acquired on 1 April 2018, for a period of 183 days;
- (d) the management accounts for the Kentner Facility, the Amor & Mühle Facility, the Callius & WEG & GILOG Facility (as defined herein) and the Keramag & VCK Facility, which were acquired on 1 July 2018, for a period of 92 days;

(the management accounts in (b), (c) and (d) are collectively referred to as the “**New Properties FY2018 Management Accounts**”),

- (e) the actual Net Property Income for the tenant, Avery Dennison Materials Pty Ltd of the Avery Dennison & GM Kane and Sons Facility, whose lease commenced on 4 October 2016;
- (f) the actual Net Property Income from the Dana & Pinnacle & Licensing Facility for the period from 1 October 2017 to 30 September 2018;
- (g) the translation of € to A\$, A\$ to S\$ and € to S\$ at the exchange rates prevailing in the preparation of the FY2018 Audited Financial Statements; and

taking into account the Total Transaction Cost, and incorporating certain assumptions including (but not limited to) the following:

- (i) approximately 223.0 million new Units are issued under the equity fund raising;
- (ii) Acquisition Fee of approximately A\$3.1 million is paid in Units to the Manager in respect of the Proposed Acquisition;
- (iii) the balance of the Total Transaction Cost is financed by borrowings; and
- (iv) the Total Transaction Cost is translated at an exchange rate of €1 : A\$1.6211.

For the avoidance of doubt, financial information obtained from the management accounts, estimated financial results and estimated annual net income in respect of the New Properties have taken into account the effective interests which FLT will be acquiring in the New Properties.

### 5.2.1 Pro Forma DPU

The pro forma financial effects of the Proposed Acquisition on the DPU for the period from 1 October 2017 through to 30 September 2018, are strictly for illustration purposes only, as if (a) the Proposed Acquisition had completed on 1 October 2017 or the date the respective New Properties were acquired (whichever is later), and (b) using the New Properties FY2018 Management Accounts and the actual Net Property Income derived from the New Properties and the assumptions set out in paragraph 5.2 above, are as follows:

#### FOR ILLUSTRATION PURPOSES ONLY

	Pro Forma Effects of the Proposed Acquisition for FY2018	
	FY2018 Audited Financial Statements	After the Proposed Acquisition <sup>(1),(2)</sup>
<b>Net Property Income (A\$ m)</b>	161.8	169.6 <sup>(3)</sup>
<b>Distributable Income (A\$ m)</b>	118.3	121.6 <sup>(4)</sup>
<b>No. of Units ('000)</b>	2,022,125 <sup>(5)</sup>	2,250,204 <sup>(6)</sup>
<b>DPU (Australian cents)</b>	6.94	6.22
<b>DPU (Singapore cents)</b>	7.19	6.43

**Notes:**

- (1) Taking into account the equity fund raising, and the balance of the Total Transaction Cost being financed with borrowings.
- (2) The Proposed Acquisition has not taken into consideration the following:
  - (a) Distributable Income contribution from the Bosch Facility which was acquired by the relevant German Vendor on 27 September 2018, the EDEKA Facility and the B+S GmbH Logistik Facility which were acquired by the relevant German Vendors on 1 November 2018 and the pre-committed lease for Amor & Mühle AEI which commenced on 1 April 2019;
  - (b) Net Property Income for the tenant, GM Kane and Sons Pty Ltd of the Avery Dennison & GM Kane and Sons Facility as the lease commenced on 1 December 2018; and
  - (c) Net Property Income from the FDM Facility.
- (3) Adjusted for the property management fees payable for the New German Properties (assumed at 2.0% of the contracted rental income).
- (4) Taking into account the Manager's management fees and related tax effects.
- (5) Number of issued and issuable Units entitled to distribution as at 30 September 2018 as stated in the FLT Audited Financial Statements.
- (6) Based on the issued and issuable Units as at 30 September 2018 in note (5) above and including (a) new Units issued under the equity fund raising, and (b) new Units issuable as payment of the Manager's base and performance management fees and Acquisition Fee for the Proposed Acquisition.

### 5.2.2 Pro Forma NAV

The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 30 September 2018, as if the Proposed Acquisition had been completed on 30 September 2018, are as follows:

	Pro Forma Effects of the Proposed Acquisition as at 30 September 2018	
	FY2018 Audited Financial Statements	After the Proposed Acquisition <sup>(1)</sup>
<b>NAV (A\$ m)</b>	1,924.4	2,186.6 <sup>(2)</sup>
<b>No. of Units ('000)</b>	2,022,125 <sup>(3)</sup>	2,247,720 <sup>(4)</sup>
<b>NAV per Unit (A\$)</b>	0.95	0.97
<b>NAV per Unit (S\$)</b>	0.94	0.96

**Notes:**

- (1) Taking into account the equity fund raising, the Acquisition Fee being paid in Units to the Manager and the balance of the Total Transaction Cost being financed with borrowings.
- (2) Based on an exchange rate of €1 : A\$1.6211.
- (3) Number of Units issued and issuable as at 30 September 2018.
- (4) Based on the issued and issuable Units as at 30 September 2018 in note (3) above and includes (a) new Units issued under the equity fund raising, and (b) new Units issuable as payment of the Acquisition Fee for the Proposed Acquisition.

### 5.2.3 Pro Forma Capitalisation

The following table sets forth the pro forma capitalisation of FLT as at 30 September 2018, as if FLT had completed the Proposed Acquisition on 30 September 2018.

	FY2018 Audited Financial Statements	After the Proposed Acquisition <sup>(1)</sup>
<b>Total assets (A\$ m)</b>	3,095.0	3,779.0
<b>Total debt (A\$ m)</b>	1,070.4	1,454.2
<b>Total Unitholders' funds (excluding non-controlling interests) (A\$ m)</b>	1,924.4	2,186.6
<b>Total capitalisation (A\$ m)</b>	2,994.8	3,640.8
<b>Gearing ratio<sup>(2)</sup> (%)</b>	34.6	38.5 <sup>(3)</sup>

**Notes:**

- (1) Taking into account the equity fund raising, the Acquisition Fee being paid in Units to the Manager and the balance of the Total Transaction Cost being financed with borrowings.
- (2) Calculated based on total debt divided by total assets.
- (3) Excluded the use of net proceeds from the FY2019 Divestments to reduce borrowings.

## 6. Requirement of Unitholders' Approval

### 6.1 Major Transaction

Chapter 10 of the SGX-ST Listing Manual (the "**Listing Manual**") governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by FLT. Such transactions are classified into the following categories:

- (i) non-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse take-overs.

A proposed acquisition by FLT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the net profits attributable to the assets acquired, compared with FLT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (ii) the aggregate value of the consideration given or received, compared with FLT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(d) of the Listing Manual is not applicable as FLT will not be issuing any units as consideration for the Proposed Acquisition.

### 6.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

Comparison of:	The Proposed Acquisition	FLT	Relative Figure (%)
Net Property Income <sup>(1)</sup> (A\$ m)	16.3	99.2 <sup>(2)</sup>	16.4
Purchase Consideration against Market Capitalisation (S\$ m)	482	2,432 <sup>(3)</sup>	19.8

**Notes:**

- (1) In the case of a REIT, Net Property Income is a close proxy to the net profits attributable to its assets.
- (2) Based on FLT's actual Net Property Income for 1H FY2019 Unaudited Financial Statements.
- (3) Based on the weighted average price of the Units transacted on the SGX-ST on 1 July 2019, being the market day preceding the date of signing of the Share Purchase Agreement and the Asset Sale and Purchase Agreements, of S\$1.20 per Unit.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction under Rule 1014 of the Listing Manual which would be subject to the approval of Unitholders, unless such transaction is in the ordinary course of FLT's business. The Manager is of the view that the Proposed Acquisition is in the ordinary course of FLT's business as the New Properties being acquired are within the investment mandate of FLT, the New German Properties and the New Australian Properties are in the same asset class and countries as the existing properties in FLT's portfolio and, accordingly, the Proposed Acquisition accordingly does not change the risk profile of FLT. As such, the Proposed Acquisition is not subject to Chapter 10 of the Listing Manual.

However, the proposed Acquisition is an "interested person transaction" under Chapter 9 of

the Listing Manual, as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the specific approval of the Unitholders is required.

### **6.3 Interested Person Transaction and Interested Party Transaction (collectively, “Related Party Transactions”)**

As at the date of this Announcement, the FPL Group<sup>15</sup> holds an aggregate direct and indirect interest in 429,729,337 Units, which is equivalent to approximately 21.2% of the total number of Units in issue as at the date of this Announcement, and is therefore regarded as a “controlling unitholder” of FLT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of FPL, the FPL Group is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

As each of FPIE, FPE11, FPE12, Australand C&I Trustee, Australand Property and Australand C&I, being the Vendors, is an indirect subsidiary of FPL, for the purposes of Chapter 9 of the Listing Manual and paragraph 5 of the Property Funds Appendix, each of the Vendors (being a subsidiary of a “controlling unitholder” of FLT and a subsidiary of a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of FLT and (for the purposes of the Property Funds Appendix) an “interested party” of FLT.

Therefore, (i) the entry by FLT Europe into the Share Purchase Agreement and the Deed of Indemnity, (ii) the entry by the Sub-Trust Trustees into the Asset Sale and Purchase Agreements, (iii) the entry by FLT Europe, FLT Queensland No. 3 and FLT Landowner into the Incentive Reimbursement Deeds and (iv) the entry by FLT Queensland No. 4 into the Rental Support Deed will constitute Interested Person Transactions under Chapter 9 of the Listing Manual, as well as Interested Party Transactions under the Property Funds Appendix.

Given that the Purchase Consideration is approximately A\$507.2 million (which is 26.4% of both the latest audited net tangible assets (“NTA”) and the net asset value (“NAV”) of FLT as at 30 September 2018), the value of the Proposed Acquisition exceeds 5.0% of the NTA and the NAV of FLT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed Acquisition.

Please refer to the Circular for further details.

### **6.4 Opinion of the Independent Financial Adviser and Statement of the Independent Directors and the Audit and Risk Committee**

The Manager has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd (the “IFA”) to advise the independent directors of the Manager (the “**Independent Directors**”), the audit, risk and compliance committee of the Manager (the “**Audit, Risk and Compliance Committee**”) and the Trustee in relation to the Proposed Acquisition. A copy of the letter from the IFA to the Independent Directors, the Audit, Risk and Compliance Committee and the Trustee (the “**IFA Letter**”), containing its advice in full in relation to the Proposed Acquisition, will be set out in the Circular. Unitholders are advised to read the IFA Letter in its entirety carefully.

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15 FPL and its subsidiaries.

## 6.5 Interests of Directors

As at the date of this Announcement, the interests of the Directors in the Proposed Acquisition are as follows:

- (i) Mr Panote Sirivadhanabhakdi is a Non-Executive Director of the Manager, a director and the Group Chief Executive Officer of FPL, a director of other entities within the FPL Group other than the Manager, a director of various entities within the TCC Group<sup>16</sup> (which is the controlling shareholder of the FPL Group) and holds 20.0% of the issued share capital of TCC Group Investments Limited (“**TCCGI**”). Mr Panote Sirivadhanabhakdi is also the son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi;
- (ii) Mr Chia Khong Shoong is a Non-Executive Director of the Manager, the Chief Corporate Officer of FPL and a director of various subsidiaries of FPL other than the Manager; and
- (iii) Mr Rodney Vaughan Fehring is a Non-Executive Director of the Manager, the Chief Executive Officer of Frasers Property Australia Pty Limited (“**FPA**”), a subsidiary of FPL, and a director of various subsidiaries of FPL other than the Manager.

Based on the Register of Directors’ Unitholdings maintained by the Manager, the direct and deemed interests of the Directors in the Units as at the date of this Announcement are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Mr Ho Hon Cheong	-	-	1,123,100	0.0554	1,123,100	0.0554
Mr Goh Yong Chian	400,000	0.0197	-	-	400,000	0.0197
Mr Paul Gilbert Say	-	-	165,000	0.00814	165,000	0.00814
Mr Panote Sirivadhanabhakdi	-	-	118,559,700	5.8490 <sup>(1)</sup>	118,559,700	5.8490
Mr Chia Khong Shoong	-	-	220,000	0.0109	220,000	0.0109
Mr Rodney Vaughan Fehring	-	-	132,000	0.0065	132,000	0.0065

**Note:**

- (1) Mr Panote Sirivadhanabhakdi holds 20.0% of the issued share capital of TCCGI and is deemed interested in TCCGI's deemed interest in 118,559,700 Units.

Saved as disclosed above and based on information available to the Manager as at the date of this Announcement, none of the Directors has an interest, direct or indirect, in the Proposed Acquisition.

## 6.6 Directors’ Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

<sup>16</sup> “**TCC Group**” refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

## **7. Existing Related Party Transactions**

Other than the Proposed Acquisition and the transactions in relation thereto, the aggregate amount of Related Party Transactions entered into between FLT and FPL or its respective subsidiaries and associates during the course of the current financial year ending 30 September 2019 up to the date of this Announcement that are subject to disclosure<sup>17</sup> under the Listing Manual is approximately A\$45.0 million.

Please refer to the Circular for further details on the existing Related Party Transactions.

## **8. Documents for Inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>18</sup> at 438 Alexandra Road, #21-00, Alexandra Point, Singapore 119958 from the date of this Announcement up to and including the date falling three months after the date of the Circular:

- (i) the Share Purchase Agreement;
- (ii) the Asset Sale and Purchase Agreements;
- (iii) the Deed of Indemnity;
- (iv) the Incentive Reimbursement Deeds;
- (v) the Rental Support Deed;
- (vi) the valuation summaries and the full valuation reports on the New Properties issued by the Independent Valuers;
- (vii) the Independent Market Research Reports;
- (viii) the FLT Audited Financial Statements; and
- (ix) the FLT Unaudited Financial Statements.

The Trust Deed will also be available for inspection at the registered office of the Manager, for so long as FLT is in existence.

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<sup>17</sup> Rules 905(1), 905(2) and 906 of the Listing Manual do not apply to any transaction below S\$100,000.

<sup>18</sup> Prior appointment with the Manager (telephone: +65 6813 0588) will be appreciated.



## 9. Further Details

The Manager will issue the Circular in due course setting out the details of, amongst others, the Proposed Acquisition, together with a notice convening the EGM (the “**Notice of EGM**”), for the purposes of seeking Unitholders’ approval for the Proposed Acquisition.

A copy of the Circular will also be available on the website of FLT at [www.fraserslogisticstrust.com](http://www.fraserslogisticstrust.com) and the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

Unitholders should receive physical copies of the Notice of EGM, Proxy Form and a Notification & Request Form for Unitholders to request for a physical copy of the Circular.

Further details will be announced by the Manager in due course.

### BY ORDER OF THE BOARD

Frasers Logistics & Industrial Asset Management Pte. Ltd.  
As manager of Frasers Logistics & Industrial Trust  
Company Registration No: 201528178Z

**Catherine Yeo**  
Company Secretary  
3 July 2019

## APPENDIX

### Further Details of the New Properties

The following table sets out a summary of selected information on the New Properties.

#### New German Properties

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by CBRE (€m) <sup>(2)</sup>	Valuation by Colliers UK (€m) <sup>(2)</sup>	Property Purchase Price (€m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
<b><i>New German Properties</i></b>											
<b>State: Baden-Wurtemberg</b>											
1	Am Bühlfeld 2-8, 89543, Herbrechtingen, Germany  (the “ <b>Kentner Facility</b> ”)	Kentner	Logistics	94.9	Freehold	44,501	32.3 <sup>(5)</sup>	31.3 <sup>(5)</sup>	31.1	7.8	100
2	Hölderlinstraße 29, 71732, Tamm, Germany  (the “ <b>Bosch</b> ”)	Bosch	Consumer	94.0	Freehold	38,932	68.2 <sup>(5)</sup>	68.7 <sup>(5)</sup>	68.1	9.3	100

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by CBRE (€m) <sup>(2)</sup>	Valuation by Colliers UK (€m) <sup>(2)</sup>	Property Purchase Price (€m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
	Facility")										
<b>State: Bavaria</b>											
3	Hermesstraße 5, 86836, Graben, Augsburg, Germany  (the " <b>Hermes Augsburg Facility</b> ")	Hermes	Logistics	94.9	Freehold	11,534	33.2	32.9	33.1	13.9	100
4	Dieselstraße 30, 85748, Garching, Germany  (the " <b>EDEKA Facility</b> ")	EDEKA	Consumer	94.0	Freehold	13,014	29.7	29.8	29.7	13.7	100
<b>State: Berlin</b>											
5	Gewerbegebiet Etzin 1, 14669, Berlin, Germany  (the " <b>Hermes Berlin Facility</b> ")	Hermes	Logistics	94.9	Freehold	13,142	40.2	38.5	40.2	13.6	100

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by CBRE (€m) <sup>(2)</sup>	Valuation by Colliers UK (€m) <sup>(2)</sup>	Property Purchase Price (€m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
<b>State: Hesse</b>											
6	Im Birkengrund 5-7, 63179, Obertshausen, Germany  (the “ <b>Amor &amp; Mühle Facility</b> ”)	Amor & Mühle	Consumer, Logistics	94.0	Freehold	16,962 <sup>(6)</sup>	29.3 <sup>(5)</sup>	29.3 <sup>(5)</sup>	28.8	14.1	100
<b>State: North Rhine-Westphalia</b>											
7	Walter-Gropius-Straße 19, 50126, Bergheim, Germany  (the “ <b>Callius &amp; WEG &amp; GILOG Facility</b> ”)	Callius & WEG & GILOG	Logistics, Manufacturing	94.0	Freehold	19,404	19.1	18.9	19.0	5.1	100
8	An den Dieken, 40885, Ratingen, Germany  (the “ <b>Keramag &amp; VCK Facility</b> ”)	Keramag & VCK	Consumer, Logistics	94.0	Freehold	43,095	45.5	46.4	45.9	6.7	100

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by CBRE (€m) <sup>(2)</sup>	Valuation by Colliers UK (€m) <sup>(2)</sup>	Property Purchase Price (€m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
9	Fuggerstraße 17, 33689, Bielefeld, Germany  (the "B+S GmbH Logistik Facility")	B+S GmbH Logistik	Logistics	93.1	Freehold	22,336	24.5	24.3	24.4	8.3	100
<b>Total for the New German Properties</b>						<b>222,920</b>	<b>322.0</b>	<b>320.1</b>	<b>320.3</b>	<b>10.1</b>	<b>100</b>

### New Australian Properties

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by Colliers AU (A\$ m) <sup>(2)</sup>	Valuation by Urbis (A\$ m) <sup>(2)</sup>	Property Purchase Price (A\$ m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
<b><i>New Australian Properties</i></b>											
<b>State: New South Wales</b>											
1	2 Hanson Place, Eastern Creek, New South Wales, Australia  (the "FDM Facility")	FDM <sup>(7)</sup>	Logistics	100.0	Freehold	32,894	65.5 <sup>(8)</sup>	65.5 <sup>(8)</sup>	65.5	5.0	100 <sup>(9)</sup>

S/No	Address	Tenant	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sq m) <sup>(1)</sup>	Valuation by Colliers AU (A\$ m) <sup>(2)</sup>	Valuation by Urbis (A\$ m) <sup>(2)</sup>	Property Purchase Price (A\$ m) <sup>(3)</sup>	WALE (years) <sup>(4)</sup>	Occupancy (%) <sup>(1)</sup>
<b>State: Victoria</b>											
2	8-28 Hudson Court, Keysborough, Victoria, Australia  (the "Dana & Pinnacle & Licensing Facility")	Dana & Pinnacle & Licensing	Logistics, Consumer	100.0	Freehold	25,762	35.3 <sup>(5)</sup>	36.0 <sup>(5)</sup>	34.8	4.2	100
<b>State: Queensland</b>											
3	29-51 Wayne Goss Drive, Berrinba, Queensland, Australia  (the "Avery Dennison & GM Kane and Sons Facility")	Avery Dennison & GM Kane and Sons	Consumer, Automotive	100.0	Freehold	15,456	25.5 <sup>(5)</sup>	25.5 <sup>(5)</sup>	25.2	3.9	100
<b>Total for the New Australian Properties</b>						<b>74,112</b>	<b>126.3</b>	<b>127.0</b>	<b>125.5</b>	<b>4.5</b>	<b>100</b>
<b>Total for New Properties (A\$ m)</b>						<b>297,032</b>			<b>644.7</b>	<b>8.6</b>	<b>100</b>

**Notes:**

- (1) As at 31 March 2019.
- (2) Valuation as at 15 June 2019 and is based on a 100% effective interest in each New Property.
- (3) The Property Purchase Price is based on a 100% effective interest in each New Property.
- (4) **“WALE”** refers to the weighted average lease expiry as at 31 March 2019 based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of March 2019, and taking into account the arrangement under the Rental Support Deed.
- (5) Valuation includes the effects of the arrangement under the relevant Incentive Reimbursement Deed.
- (6) Excludes an additional area of 6,192 sq m from the expansion of the Amor & Mühle Facility (the **“Amor & Mühle AEI”**). The Amor & Mühle Facility has undergone an expansion which was completed in March 2019, with a new lease to the existing tenant, Mühle, commencing from 1 April 2019.
- (7) The FDM Facility consists of two leaseable units, one of which is currently leased to FDM Warehousing Pty Ltd and the other unit is currently vacant (the **“Vacant Unit”**).
- (8) Valuation includes the effects of the arrangement under the Rental Support Deed which takes into account a 5-year lease at a net rent of A\$120/sq m/year from settlement of the acquisition of the Vacant Unit of the FDM Facility which was completed in May 2019. Excluding the Rental Support Deed, the valuation would be A\$63.4 million and A\$63.5 million for Colliers AU and Urbis, respectively.
- (9) The occupancy of the FDM Facility is 51.7% as at 31 March 2019, excluding the arrangement under the Rental Support Deed.

## **IMPORTANT NOTICE**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of the Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited, as trustee of FLT or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This announcement is for information purposes only and does not constitute an offer for sale or an invitation or offer to acquire, purchase or subscribe for Units in the United States. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The Units referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Units may not be offered or sold in the United States, absent registration or an exemption from, the registration requirements under the Securities Act and applicable state or local securities laws. No public offering of securities is being made in the United States.

Investors should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of FLT and the Manager is not necessarily indicative of the future performance of FLT and the Manager.



## ADDITIONAL INFORMATION – AUSTRALIA'S FOREIGN INVESTMENT REGIME

Australia's foreign investment regime is set out in the Australian Foreign Acquisitions and Takeovers Act 1975 (“**FATA**”) and the Australian Government’s Foreign Investment Policy.

### Notifiable actions (i.e. mandatory notification) for Australian Land Trusts

A “*foreign person*”<sup>19</sup> that acquires Units is required under the FATA to notify and receive a prior no objections notification (“**FIRB Approval**”) in respect of its investment in FLT from the Australian Treasurer through the Foreign Investment Review Board (“**FIRB**”) if any of the circumstances set out below apply at the time the Units are acquired:

- (a) if FLT is considered to be an “Australian Land Trust”<sup>20</sup> (“**ALT**”) at the time of acquisition, all foreign persons acquiring Units (including existing holders of Units acquiring additional Units) will require FIRB Approval unless an exemption applies (see below);
- (b) if FLT is not an ALT, but has gross Australian assets in excess of a specified threshold prescribed under FATA (as at the date of this Announcement, the threshold prescribed under FATA is A\$266.0 million) at the time of acquisition, all investors (i) who are foreign persons and (ii) who are acquiring a substantial interest (20% or more held solely or together with associates) in FLT or have a substantial interest (20% or more held solely or together with associates) and increase their holding, will require FIRB Approval; or
- (c) any investor that is a Foreign Government Investor<sup>21</sup> acquiring a “direct interest”<sup>22</sup> in FLT will require FIRB Approval at the time of acquisition, regardless of whether FLT is considered to be an ALT or whether FLT has gross Australian assets in excess of A\$266.0 million.

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19 A “**foreign person**” is broadly defined in the FATA and includes:

- an individual not ordinarily resident in Australia; or
- a corporation in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- a corporation in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- the trustee of a trust in which an individual not ordinarily resident in Australia, a foreign corporation or a foreign government holds a substantial interest (20% or more held solely or together with associates); or
- the trustee of a trust in which 2 or more persons, each of whom is an individual not ordinarily resident in Australia, a foreign corporation or a foreign government, hold an aggregate substantial interest (40% or more including associate holdings); or
- a foreign government.

20 An ALT is a unit trust in which the value of interests in Australian land exceeds 50% of the value of the total assets of the unit trust.

21 A “**foreign government investor**” means an entity that is:

- foreign government or separate government entity; or
- a corporation, or trustee of a trust, or general partner of a limited partnership in which:
  - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20%; or
  - foreign governments or separate government entities of more than one country (or parts of more than one foreign country), together with any one or more associates, hold an interest of at least 40%;
- a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

The FATA deems foreign government related entities from the same country to be associated. The effect is that an entity will be a foreign government investor where one or more foreign government related entities from the same country have in aggregate a 20% or more interest in the subject entity.

### Exemptions from ALT requirements

There are two relevant exemptions from the requirement to obtain FIRB Approval under the FATA that would otherwise apply if FLT was considered to be an ALT:

- (a) where the relevant person is not a foreign government investor and the relevant person's interest in FLT would not be valued in excess of a specified threshold prescribed under the FATA (at the date of this announcement, the threshold prescribed under the FATA is A\$266.0 million, unless the ALT has 'sensitive' land holdings, in which case the threshold is A\$58.0 million)<sup>23</sup>; and
- (b) the relevant person, together with associates, is acquiring an interest of less than 10% in FLT and will not be in a position to influence or participate in the central management and control of FLT or to influence, participate in or determine the policy of FLT.<sup>24</sup>

### Significant actions

As at 31 March 2019, the value of the Australian land assets comprised in FLT's portfolio is 64.4% of the total asset value of FLT. Consequently, FLT is considered to be an ALT.

As at 31 March 2019, FLT has gross Australian assets of approximately A\$2,017.0 million, which is above A\$266.0 million.

Any investor that is a "foreign person" acquiring Units on the secondary market should seek their own advice on the FIRB requirements as they pertain to their specific circumstances.

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22 A "direct interest" is defined to mean:

- an interest of at least 10% in the entity or business, or
- an interest of at least 5% in the entity or business if the person who acquires the interest has entered a legal arrangement relating to the businesses of the person and the entity or business, or
- an interest of any percentage in the entity or business if the person who has acquired the interest is in a position to:
  - participate or influence the central management and control of the entity or business; or
  - influence, participate or determine the policy of the entity or business.

23 This applies in respect of ALTs that have predominantly developed commercial real estate portfolios (i.e. less than 10% residential or vacant commercial land). It is the value of the interest being acquired, rather than the value of the underlying land that is determinative for the purposes of this exemption. The concept of 'sensitive' land is broad and includes transport logistics facilities, mines and critical infrastructure (for example, an airport or port) as well as property that has Australian government tenants.

24 This applies where an ALT is listed on an official stock exchange (whether in Australia or not).